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Van Woerkom brings MEGA credits to rural Michigan businesses

Lansing – The state Senate today ensured Michigan will continue to be a tough competitor to states hoping to lure new businesses, as it overwhelmingly approved reauthorization of the Michigan Economic Growth Authority Act.

State Sen. Gerald Van Woerkom (R-Norton Shores) sponsored an amendment to Senate Bill 824 to help rural businesses qualify for MEGA credits.

“This amendment will give businesses in rural areas a better chance to receive MEGA credits,” Van Woerkom said. “This will give a crucial boost to businesses in and looking to locate in rural areas. This amendment will have a significant effect on job creation throughout rural Michigan.”

Under Van Woerkom’s amendment, rural businesses would be required to produce a minimum of five qualified new jobs immediately and a minimum of 25 qualified new jobs within the first five years.

The MEGA program operates by offering qualifying companies Single Business Tax credits if they locate or expand their operations in Michigan.

Reauthorization of this legislation was done through a four-bill package that extends the date, provides additional oversight tools, and improves the credit-granting ability of the program, especially for high-tech businesses.

A major change to the program allows tool & die and high-tech companies to obtain MEGA credits. Other changes clarify the definition of an “affiliated business” and alter the criteria for the MEGA credits for job expansion and retention. These changes will expand the number of businesses eligible for MEGA credits.

The program was set to expire Dec. 31, 2003, but approval of the package will extend the program until Dec. 31, 2009.

One of the major economic incentives used by Michigan to attract business growth, MEGA is one of the main programs in the nine-point Republican “Job Opportunities for Business Success” plan.

Senate Bills 820-822 and 824 now go to the House of Representatives for approval.

Several other portions of the JOBS plan are expected to come before the full Senate Thursday.

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